

## Message Text

UNCLASSIFIED

PAGE 01 HALIFA 00133 011811Z  
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01  
INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06  
SP-02 LAB-04 SIL-01 OMB-01 PA-02 PRS-01 EURE-00  
/070 W

-----011829Z 014023 /50

P 011515Z APR 77  
FM AMCONSUL HALIFAX  
TO SECSTATE WASHDC PRIORITY 1590  
INFO AMEMBASSY OTTAWA

UNCLAS HALIFAX 0133

E O 11652: N/A  
TAGS: EFIN CA  
SUBJECT: ATLANTIC CANADA'S REACTION TO FEDERAL BUDGET

1. ALMOST ALL LOCAL AND REGIONAL SPOKESMEN IN BUSINESS AND POLITICS HAVE GREETED THE NEW GOC BUDGET WITH A NOTABLE LACK OF ENTHUSIASM. HALIFAX "CHRONICLE-HERALD" (4/1/77) PRINTED COMMENTS ON BUDGET OF PERSONS OF ALL POLITICAL PERSUASIONS BUT ONLY ONE OF THOSE INTERVIEWED WAS ABLE TO SEE ANY MARKED BENEFIT ACCRUING TO ATLANTIC PROVINCES. THE ONE EXCEPTION WAS NFLD PREMIER FRANK MOORES WHO SAID "IT S A CONSTRUCTIVE BUDGET, A TOUGH BUDGET. I THINK IT WILL HELP THE ECONOMY GENERALLY."

2. ONE OR TWO COMMENTATORS MANAGED TO DISPLAY A FLICKER OF SATISFACTION THAT THE SPECIAL NEEDS OF THE ATLANTIC PROVINCES AND OF THE GASPE REGION OF QUEBEC WERE RECOGNIZED IN THE DOUBLING OF THE RATE IN THE INVESTMENT TAX CREDIT SCHEME FOR THOSE AREAS, BUT THEY WENT ON TO SAY THAT THIS PROVISION IN BUDGET WILL BE UNLIKELY TO GENERATE MUCH IF ANY NEW SPENDING HERE. THE INCREASE OF DOLS 100 MILLION IN THE FEDERAL MAKE-  
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WORK BUDGET DURING 1977 WAS DISMISSED BY OBSERVERS HERE AS LIKELY TO HAVE NO OBSERVABLE IMPACT ON THE REGION S UNEMPLOYMENT RATE.

3. PERHAPS MOST COGENT REMARKS ON FINANCE MINISTER MACDONALD S DILEMMA IN PREPARING NEW BUDGET WERE THOSE MADE BY GRAHAM MERCER, PRESIDENT OF ATLANTIC

PROVINCES CHAMBER OF COMMERCE, WHO SAID THE MINISTER:

"DIDN'T HAVE ANY MONEY IN THE KITTY,  
HIGH UNEMPLOYMENT IS CONTINUING, AND INFLATION  
IS STILL RISING."

"FACING THAT SITUATION, THERE WAS NOT A LOT  
MORE HE COULD DO."

4. POUCHING CLIPPINGS TO EMBASSY AND EUR/CAN.

MOORE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PROVINCE, GOVERNMENT BUDGET, PRESS COMMENTS, PUBLIC ATTITUDES  
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**Copy:** SINGLE  
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**Decaption Note:**  
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**Review Markings:**  
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